

Message Text

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ACTION L-02

INFO OCT-01 ARA-06 ISO-00 SS-15 EUR-12 SCA-01 CIAE-00

INR-05 NSAE-00 RSC-01 NSC-05 JUSE-00 SEC-01 SSO-00

NSCE-00 INRE-00 PA-01 PRS-01 USIE-00 /051 W

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O R 052033Z DEC 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 8746

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN SALVADOR

AMEMBASSY PANAMA

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C O R R E C T E D C O P Y - MRN 4613 VICE 4603

E.O. 11652: N/A

TAGS: PFOR, PGOV, CS

SUBJECT: VESCO ON COSTA RICAN TV

REF: SAN JOSE 4593

1. BEGIN SUMMARY: ROBERT VESCO DELIVERED AN HOUR-LONG
SPEECH ON AN ALL-CHANNEL HOOK-UP DECEMBER 4 IN WHICH
HE DEALT PRINCIPALLY WITH JUSTIFYING HIS CONTINUED PRESENCE
IN COSTA RICA, THE UTILITY OF HIS INVESTMENTS, HIS CONCERN
WITH THE DEVELOPMENT OF THE COUNTRY, THE BASELESS NATURE
OF ACCUSATIONS AGAINST HIM, AND THE CHARACTER AND
MOTIVES OF GROUPS THAT HE ALLEGES ARE PERSECUTING HIM.
HE SINGLED OUT "LA NACION," "LA REPUBLICA," AND THE
U.S. EMBASSY FOR SPECIAL ATTENTION. HE CHARACTERIZED THE SPECIFIC
COSTA RICAN GROUP BEHIND THE EXPULSION MANIFESTO AS SMALL AND
UNSCRUPULOUS. HE ALLEGED THAT THEY WERE MOTIVATED
BY INTERNAL POLITICAL INTERESTS THAT WISHED TO TURN HIM OVER

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TO U.S. POLITICAL INTERESTS BECAUSE OF HIS SUPPORT OF NIXON OF

WHOSE FAMILY HE IS A FRIEND AND THAT ALL WAS CONNECTED WITH WATERGATE. HE RECOGNIZED THAT MUCH OF THE SUPPORT FOR HIS OUSTER WAS MISINFORMED. HE SHARPLY CRITICIZED THE SEC AND U.S. PROSECUTORS' ACTIONS AGAINST HIM AND WARNED SOME COSTA RICANS TO STOP PUSHING HIM OR HE WOULD REVEAL THAT THEY HAD SOUGHT FINANCIAL ASSISTANCE FROM HIM.

PRESIDENT ODUBER WILL ADDRESS THE NATION ON DECEMBER 9 ON THE VESCO ISSUE. END SUMMARY.

2. ROBERT VESCO'S APPEARANCE ON A NATIONWIDE TV AND RADIO HOOK-UP WAS DELAYED LAST NIGHT (DECEMBER 4) FROM THE SCHEDULED 7 P.M. TO 11:45 P.M. THE DELAY WAS OSTENSIBLY CAUSED BY LATE DELIVERY OF THE VIDEOTAPE TO THE STUDIOS FROM VESCO'S HOUSE WHERE IT WAS MADE. THE TRANSMISSION LASTED SLIGHTLY OVER ONE HOUR. THE SETTING FOR VESCO'S SPEECH WAS INFORMAL--HE APPEARED IN OPEN-COLLAR SHIRT IN HIS HOME AND HAD HIS WIFE SITTING NEAR HIM. THE SPEECH ITSELF WAS PROBABLY WRITTEN BY VESCO AND WAS READ IN ENGLISH WITH TRANSLATION. EMBASSY MADE A VIDEO TAPE OF BROADCAST WHICH HAS BEEN FORWARDED TO DEPARTMENT IN TODAY'S (DECEMBER 5) UNCLASSIFIED POUCH.

3. AFTER AN INTRODUCTION IN WHICH HE MENTIONED THE WATERGATE-INSPIRED U.S. POLITICAL PERSECUTION AGAINST HIM AND LINKING THAT TO FORCES IN COSTA RICA THAT WISHED TO GET RID OF HIM, VESCO SAID THAT HE BELIEVED IT WAS NECESSARY, FOR THE PROTECTION OF HIS FAMILY, TO TAKE "CERTAIN PRECAUTIONS" BECAUSE THE SAME FORCES ARE PERSECUTING ME THAT ELIMINATED PRESIDENT KENNEDY FOR HIS DOMESTIC POLICIES AND THEN PRESIDENT NIXON FOR FOREIGN POLICY AND HIS INDEPENDENCE OF JUDGMENT."

4. VESCO WENT ON TO SAY THAT "U.S. PROSECUTORS WILL TAKE ANY ACTION THEY CONSIDER NECESSARY TO MAKE ME RETURN TO THE UNITED STATES" AND THEY WILL USE ANY MEANS TO DO THIS IF THEY CANNOT EFFECT A SUCCESSFUL EXTRADITION. VESCO QUOTED FROM ALLEGED U.S. OFFICIAL SOURCES TO SUBSTANTIATE HIS CLAIM THAT "ANY MEANS" WOULD BE USED. HE THEN REFERRED TO SOME UNSPECIFIED LIMITED OFFICIAL USE

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NARCOTICS TRAFFICKERS WHO WERE "WHISKED AWAY IN THE NIGHT" TO THE U.S.

5. VESCO DISMISSED THE SEC CIVIL SUIT ALLEGING THAT THE SEC'S CHARGES NEVER CONTAINED PROOF THAT THE EVIDENCE AGAINST HIM WAS TRUE. HE SAID THAT BRADFORD COOK, FORMER CHAIRMAN OF THE SEC, UNDER OATH IN THE MITCHELL-STANS TRAIL, HAD CONFESSED "....THAT HE HAD LIED AND THAT HE

HAD HIMSELF COMMITTED PERJURY ON VARIOUS OCCASIONS DURING THE SENATE WATERGATE HEARINGS BEFORE THE NEW YORK GRAND JURY AND BEFORE A SENATE INVESTIGATING COMMITTEE IN THE U.S." VESCO EXPLAINED THAT THE MYSTERIOUS 224 MILLION DOLLARS" IS ONLY AN APPROXIMATION BY THE SEC OF THE VALUE OF THE WALL STREET STOCKS THAT HAD BEEN LIQUIDATED BY IOS. HE NOTED THAT THE SEC'S CONCERN IS THAT THE MONEY BE INVESTED IN THE UNITED STATES AND NOT IN OTHER COUNTRIES WHERE THE MONEY ORIGINALLY CAME FROM. HE SAID THAT FOREIGN INVESTMENTS WERE MORE BENEFICIAL TO THE SHARE HOLDERS THAN IF IT WERE INVESTED IN THE U.S.

6. VESCO SAID HE HAS NEVER BEEN AN OFFICIAL OR DIRECTOR OF ANY OF THE IOS MUTUAL FUNDS.

7. VESCO RIDICULED CHARGES THAT HE HAS HAD ANY CONNECTIONS WITH THE MAFIA. HE SAID THAT LA REPUBLICA HAD CHARGED THAT JIMMY NEAL WAS IN REALITY JIMMY ALIO. VESCO SAID HE KNEW FROM HIS LAWYERS THAT ALIO, ALIAS JOHNNY BLUE EYES WAS, IN FACT, A MAFIA CHIEF WHO IS CURRENTLY IN PRISON AND NEVER HAS BEEN IN COSTA RICA. HE ADDED THAT EVEN THE U.S. SENATE INVESTIGATORS HAD "CAREFULLY NOT CONFIRMED THAT MR. NEAL IS JOHNNY BLUE EYES."

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8. VESCO SAID THAT HE HAD NEVER BEEN "JUDGED (EN-JUICIADO) OR CONVICTED CRIMINALLY-AS THIS IS INTERPRETED INTERNATIONALLY, DESPITE THE U.S. EMBASSY'S--VERY INTERESTED IN ALL OF THIS--ALLEGATIONS. VESCO DISCUSSED THE THREE U.S. CRIMINAL ACCUSATIONS AGAINST HIM ALLEGING THAT THESE WERE NOTHING MORE THAN "INDICTMENTS" THAT ARE OBTAINED IN THE U.S. "WITHOUT THE PRESENCE OF A JUDGE, WITHOUT PERMITTING DEFENSE PARTICIPATING AND WITHOUT ANY PROOF AND MOREOVER, THEY ARE PREPARED IN SECRET". FOR THIS REASON, HE SAID, "I HAVE NEVER BEEN DULY ACCUSED NOR HAVE THEY CONVICTED ME CRIMINALLY OF THESE CHARGES."

9. REGARDING HIS ECONOMIC IMPACT IN COSTA RICA, VESCO SAID THAT IS A PHILOSOPHICAL POSITION AND ASKED

IF ICE, THE NATIONAL BANKING SYSTEM, OR THE BANANA COMPANIES WERE TOO BIG. HE SAID THE COUNTRY HAS TO DECIDE THIS QUESTION.

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10. VESCO SAID HE DOES NOT OWN 170 MILLION COLONES IN GOVERNMENT BONDS, HAS MUCH LESS NEVER ATTEMPTED TO CASH THEM IN AND HAD NEVER TALKED WITH BERNAL JIMENEZ (JIMENEZ IS THE DIRECTOR OF THE CENTRAL BANK AND FIGURED IN A NEWSPAPER STORY RECENTLY AS HAVING BEEN PRESSURED BY VESCO.) HE DISCUSSED HIS RELATIONSHIP WITH EX-PRESIDENT FIGUERES AND ADMITTED THAT COMPANIES WITH WHICH HE HAD BEEN AFFILIATED HAD MADE A \$2 MILLION INITIAL INVESTMENT IN FIGUERES' PREFABRICATED HOUSING SCHEME. HE SAID, HOWEVER, THAT FIGURES HAD NEVER COME BACK FOR MORE MONEY EVEN THOUGH THE OPERATION HAD HAD SUBSEQUENT FINANCIAL PROBLEMS.

11. VESCO WARNED HIS ANTAGONISTS THAT HE KNEW SOME OF THEM WHO HAD SOUGHT CAMPAIGN FINANCING FROM HIM AND THREATENED THEM WITH REVELATION OF THEIR NAMES.

12. VESCO ASKED THE COUNTRY TO BE AT EASE WITH HIS PRESENCE AND THAT HE WOULD NOT DISTURB THE COSTA RICAN TRANQUILITY. HE SAID HE WOULD BE LEAVING SAN JOSE THIS WEEKEND (PRESUMABLY FOR GUANACASTE) TO SPEND THE CHRISTMAS HOLIDAYS.

13. COMMENT.

VESCO'S SPEECH IS EXPECTED TO BE CARRIED AGAIN TONIGHT AT A PRIME HOUR. ITS DISTORTIONS, AND IN SOME CASES, OUTRIGHT LIES, WILL PROBABLY BE LOST ON THE MORE HUMBLE CLASS IT SEEMS TO BE PRIMARILY PROJECTED TO REACH. IT MAY HAVE SOME EFFECT ON THESE CLASSES, BUT WE BELIEVE ANY GAIN FOR VESCO HERE MAY BE OFFSET BY HAVING RUBBED SALT ON THE EXISTING IRRITATIONS OF THE TWO MAJOR NEWSPAPERS AND THOSE ACTIVE IN THE ANTI-VESCO MOVEMENT. IN ANY EVENT, PRESIDENT ODUBER IS NOW SCHEDULED TO ADDRESS THE NATION ON THE VESCO ISSUE MONDAY NIGHT DEC. 9.
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